



Executive Officer's Report to the Board For July 25, 2003

Recent Developments at the Board

Board Overcomes Projected Shortfall for FY 02/03; Holding of Payments Forecast

Overcoming an anticipated \$9 million shortfall for the fiscal year that ended June 30, 2003, the Victim Compensation and Government Claims Board (Board) received applications from more than 61,120 California crime victims and paid out a total of \$117 million to 55,604 victims. The Board, on June 30, 2003 had approximately \$30 million dollars in the fund prior to year-end closeout.

Preliminary year-end figures show that during the fiscal year, the Board paid \$40 million for mental health expenses, \$32 million for medical/dental services, \$22 million for income/support losses, \$14 million for funeral/burial & travel, and \$9 million for domestic violence and sexual assault relocations and all other benefits. The amount paid to victims or their service providers in FY 2002/03 is the second highest in the history of the Board. In FY 2001/02 the program paid out approximately \$124 million to some 54,359 victims.

Although the Board expects to end the current fiscal year in the black, the Board is still struggling to get budget trailer bill language approved to ensure that the Board will have sufficient revenue to end the budget year with a positive year-end balance. Provider payments may have to be held as early as late August or early September of 2003 to ensure that the Board is able to meet its contractual obligations each month and to minimize the direct impact upon victims, consistent with the priority of payments plan adopted by the Board at the January 10, 2003 meeting. The Board will probably be forced to hold provider payments until the annual Federal Victim of Crime Compensation Grant is received in March of 2004, unless alternative funding is secured.

The Board is continuing to look for revenue enhancement and cost containment alternatives to decrease or eliminate the ongoing structural imbalance between Restitution Fund revenues and expenditures and begin the process of building a cash reserve sufficient to avoid further cash flow problems. It is important to note that in overcoming the projected \$9 million deficit for FY 2002/03, the Board has exhausted virtually all of the administrative flexibility available to resolve the ongoing budget problems. Future improvements to revenue collections and expenditure reductions from the Restitution Fund will require statutory changes.

Summary of AB 1760 As Amended in Senate Public Safety 7/15/03

The Board's budget trailer bill language was amended into AB 1760 and referred to Senate Public Safety on July 15, 2003. The Committee amended the bill to include the following, which will result in approximately a \$20 million annual loss of revenue to the Restitution Fund.

- Increase the minimum restitution fines and fees by \$100 in felony cases and \$50 in misdemeanor cases. *As originally proposed, the mandatory minimum fines and fees would have been increased by \$300 and \$150 respectively.*

Projected revenue loss of over \$12 million to the Restitution Fund in FY 2004/05 and \$16 million in FY 2005/06.

- Increase diversion restitution fees by \$100 for a felony and \$50 in misdemeanor cases, with the maximum fee for both felonies and misdemeanors would be set at \$1,000 as in current law. *As originally proposed, this bill would have increased the minimum diversion restitution fee to \$500 and the maximum fee to \$3,000 for felonies; and for misdemeanors, the minimum diversion restitution fee would have been increased to \$250 for misdemeanors with the maximum fee remaining at \$1,000.*

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Projected revenue loss of over \$1 million to the Restitution Fund in FY 2004/05 and ongoing fiscal years.

- Caps the amount that the California Department of Corrections (CDC) can withhold from the Inmate Welfare Account at 30%. *Existing law authorizes CDC to withhold from 20% to 50% of the funds deposited into the Inmate Welfare Account. During the spring of 2003, a regulations package was approved to increase the percentage of inmate trust account garnishment from 20% to 30% effective July 1, 2003 and to the statutory limit of 50% effective July 1, 2004.*

Projected revenue loss of over \$6 million to the Restitution Fund in FY 2004/05 and ongoing fiscal years.

- Reduces the CDC's administrative fee on the Inmate Welfare Account garnishments from 10% to 5%. During the past three years CDC has been using the administrative fees from the Inmate Welfare Account to fund the development of an automated banking system that will dramatically increase its ability to track and collect inmate debts as they transfer from one institution to another.

Projected future revenue loss in the amount of \$1.8 million a year by significantly limiting or eliminating CDC's ability to complete its automation project.

- Requires the Administrative Office of the Courts to establish a workgroup composed of a specified membership to review the current policies and processes by which criminal fines and penalties are imposed and requires the workgroup to report its findings and recommendations to the Legislature by February 1, 2004. The composition of this workgroup will include the Victim Compensation and Government Claims Board (Board) pursuant to technical amendments proposed by the Board and accepted by the committee.

New Look For Board Website

The Board's website has a cleaner new look and many content improvements have been made. In an effort to make the website a better source of information for our clients and the public, a website development team has streamlined and improved the website content. Visitors may now view meeting agendas, minutes, the Executive Officer's report, and legislative information.

These changes are just the beginning of an effort expected to last the next three months. The website is being revised by a team lead by Fran Clader, manager of the Public Affairs and Communications Section. A diverse sample of website users from inside and outside the Board was surveyed for feedback on their impressions of the website and what to keep and what to change. The team is currently working on the first two phases of the three-phase project. The team has begun to redesign, modify and improve the appearance and content of the website to make it more user friendly and relevant to the public and is updating existing information and adding new content to the website. The website had been difficult to navigate and did not contain complete, current or organized information about program changes and crime victim resources. The website revision is expected to be completed by Oct. 1, 2003.

Victim Compensation

Soft Cap for Funeral Burial Benefits Achieving Anticipated Cost Savings

At its April 25 meeting, the Board imposed a \$5,000 'soft cap' for funeral burial benefits as a cost containment measure, even though the statutory cap is \$7,500. The Board directed staff to review any requests for payments in excess of \$5,000 and develop criteria for those situations where costs exceeding \$5,000 should be allowed.

In the weeks following the Board action, staff approved some requests where the death occurred before April 25, or where a Joint Powers (JP) or Victim Witness center had informed the families that \$7,500 was the cap. However, since then, the Board has not received *any* requests for expenses over \$5,000. It appears that the Board action is achieving the cost savings anticipated. Based on FY 2001-02, payouts, it is estimated the Board would have realized a savings of \$2,036,760 had a \$5,000 cap been in place.

Board Supports Fresno to Host 2006 World Society of Victimology Symposium

Interim Executive Officer Catherine Close has written a letter to the World Society of Victimology in Stellenbosch, South Africa, in support of efforts by the American Society of Victimology and the California State University, Fresno, to host a World Society of Victimology Symposium in Fresno in 2006.

The university recently sent a group of delegates to South Africa to make a presentation and learned it was the only applicant from the United States. Others bidding for the symposium include London and the European Union. A university official said the presentation went well, and the university is negotiating details with officials from the World Society of Victimology. "It looks positive so far," she said.

The symposium is expected to draw approximately 2,500 delegates from all over the world.

In her letter of support, Ms. Close highlighted California's leadership in providing services to victims of crime, notably the role of the Victim Compensation and Government Claims Board as the nation's first and largest program.

Additionally, she noted that California State University, Fresno, was the first university in the nation to develop and conduct a program of study in victim services and later became the first university in the nation to offer a Bachelor of Science degree in Criminology with an option in Victimology. The university's Criminology Department has been an academic partner with the Office for Victims of Crime in sponsoring the National Victim Assistance Academy. A university official said the school is currently exploring a joint doctoral program on Criminal Justice Sciences with the University of California, Davis.

It is not known when the World Society of Victimology will make its decision on where to hold the 2006 symposium. Staff will provide future updates as information becomes available.

Training and Policy Staff Reach Out to Victim Advocates Statewide

Board staff recently conducted presentations for the state's victims' advocates.

The four-hour training session covered such topics as, the 2003 legislative changes; emergency mental health regulations; the April 24, 2003, policy changes; and the revised relocation policy and worksheets. The training subject matter, tools, travel plans, and hardcopy lesson plan were developed within a very tight timeframe.

Trainings were conducted during June in Los Angeles, Redding, San Diego, Berkeley, Fresno, and Ventura. A presentation in Sacramento was postponed due to anticipated demonstrations during the World Ag Expo. Staff from the various units put a great deal of effort into this project and the training was much appreciated by the advocates.

Revenue Recovery

Judges, Prosecutors and Probation Officers Receive Training

On June 4-5, 2003, Revenue Recovery staff provided training on restitution in Mendocino County. There were approximately 65 attendees who included judges, prosecutors, Victim Witness staff, and probation officers. The restitution training provides an overview of restitution case law.

Liens and Overpayments:

During June 2003, the Liens and Overpayments Section (LORS) collected \$183,633.25 in liens on behalf of the VCP and filed 96 new liens in civil, auto, and workers' compensation cases. No overpayments were collected.

Outreach

35th Annual Delegates Conference and Statewide American Indian Conference on Family & Domestic Violence Prevention

The VCP Program staffed a booth at the American Indian Conference on Family and Domestic Violence Prevention at the Sheraton Grand Hotel, Sacramento on July 14. This event was sponsored by the Inter-Tribal Council of California, Inc. and co-sponsored by the Attorney General's Office of Native American Affairs. Approximately 150 people attended, with more than 50 visiting our booth. Attendees were all involved in domestic violence education. Based upon the attendance, it was a successful outreach event and should be attended in the future.

VCP Staff Trains Federal Victim Assistance Task Force

On June 26, VCP staff presented an overview of the Victim Compensation Program to the Federal Victim Assistance Task Force in Oakland. The group met to discuss issues surrounding cases involving large numbers of victims. There were approximately 17 people in attendance.

Upcoming Events

(The conferences and events listed below are for informational purposes only.)

8th International Conference on Family Violence: Working Together to End Abuse

Date: September 17-20 from 10 a.m. to 7 p.m.

Location: Town & Country Hotel, San Diego

Sponsor: The Family Violence & Sexual Assault Institute in San Diego

This conference will address advocacy, assessment, intervention, research, prevention, and policy. For more information contact the Conference Staff at Family Violence and Sexual Assault Institute, 6160 Cornerstone Court East, San Diego, CA 92121. Phone (858) 623-2777 ext/ 427. http://www.fvsai.org/FVSAI_onlineReg.htm.

WEAVE Black and White Gala

Date: October 4

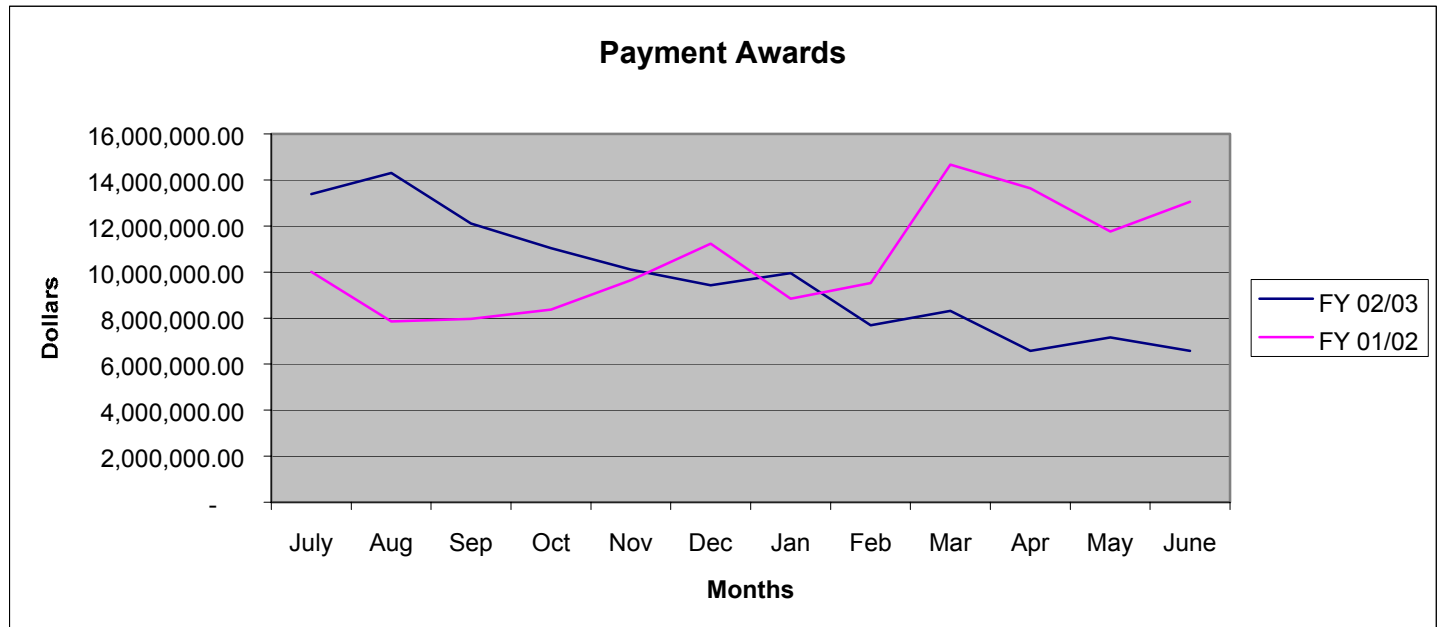
Location: Sacramento Convention Center, Sacramento

Sponsor: WEAVE

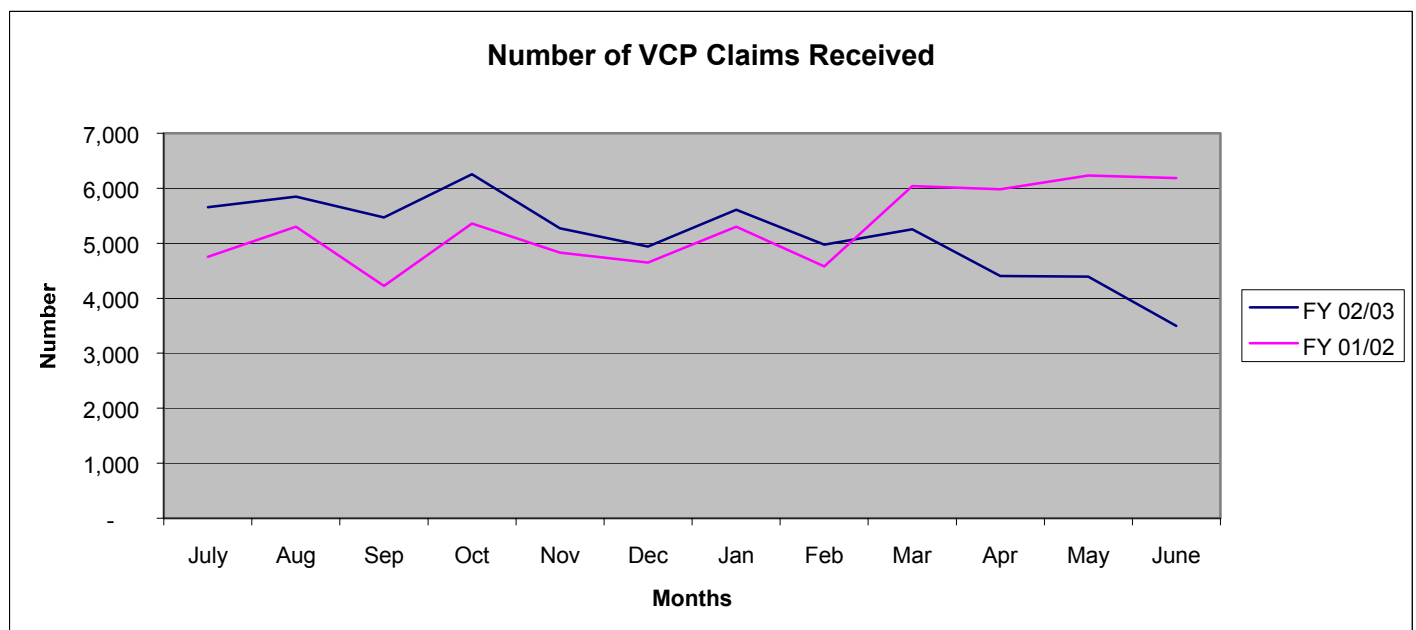
This ball is a fund-raiser for WEAVE, a non-profit organization that helps victims of domestic violence. For more information contact WEAVE at (916) 488-2321.

Victim Compensation Program Activity

VCP PAYMENTS			
Fiscal Year Comparison	Month of June	Fiscal Year to Date	% Change from Prior FY
FY 02/03	\$6,574,142	\$116,636,462	-8%
FY 01/02	\$13,050,431	\$126,559,839	-



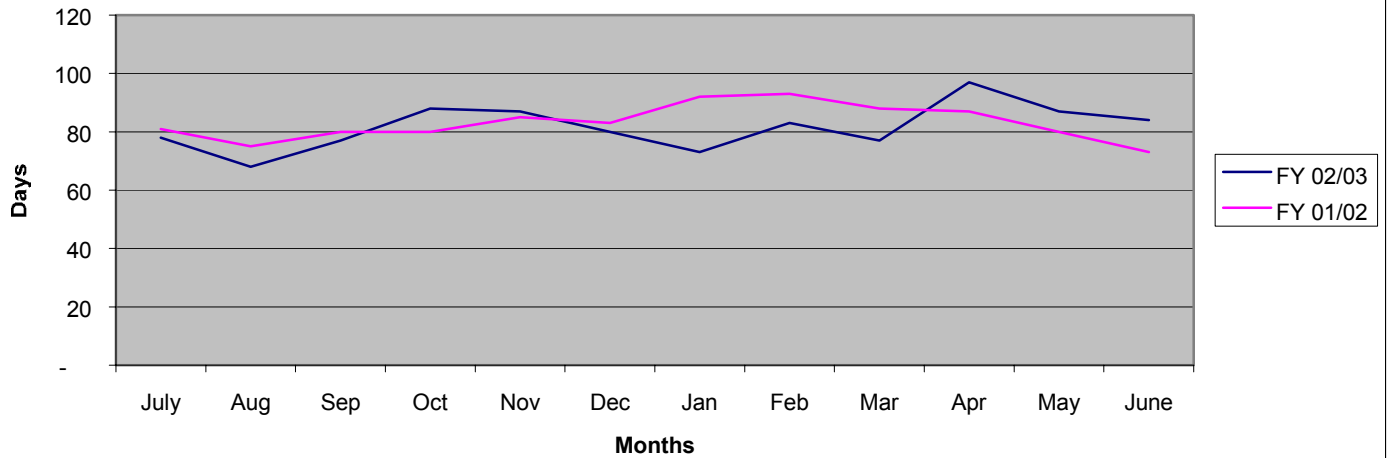
VCP NUMBER OF CLAIMS RECEIVED			
Fiscal Year Comparison	Month of June	Fiscal Year to Date	% Change from Prior FY
FY 02/03	4,406	61,120	-3%
FY 01/02	5,980	63,247	-



VCP CLAIM PROCESSING TIME IN DAYS

Fiscal Year Comparison	Month of June	Fiscal Year to Date	% Change from Prior
FY 02/03	84	82	-2%
FY 01/02	73	83	-

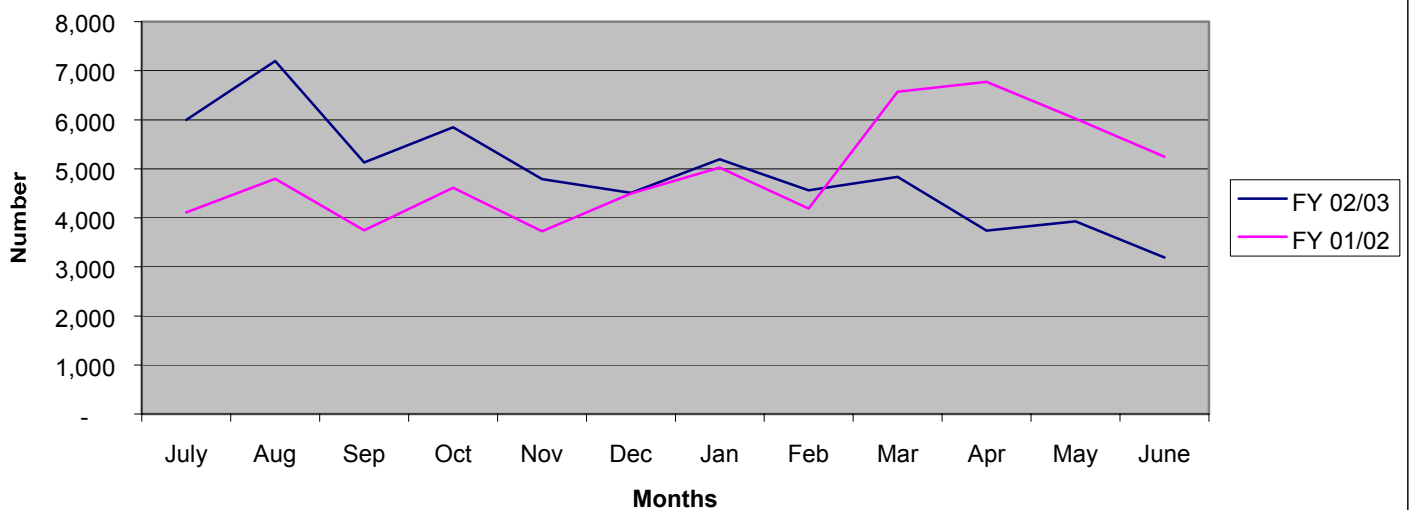
VCP Average Processing Time



VCP CLAIMS ALLOWED

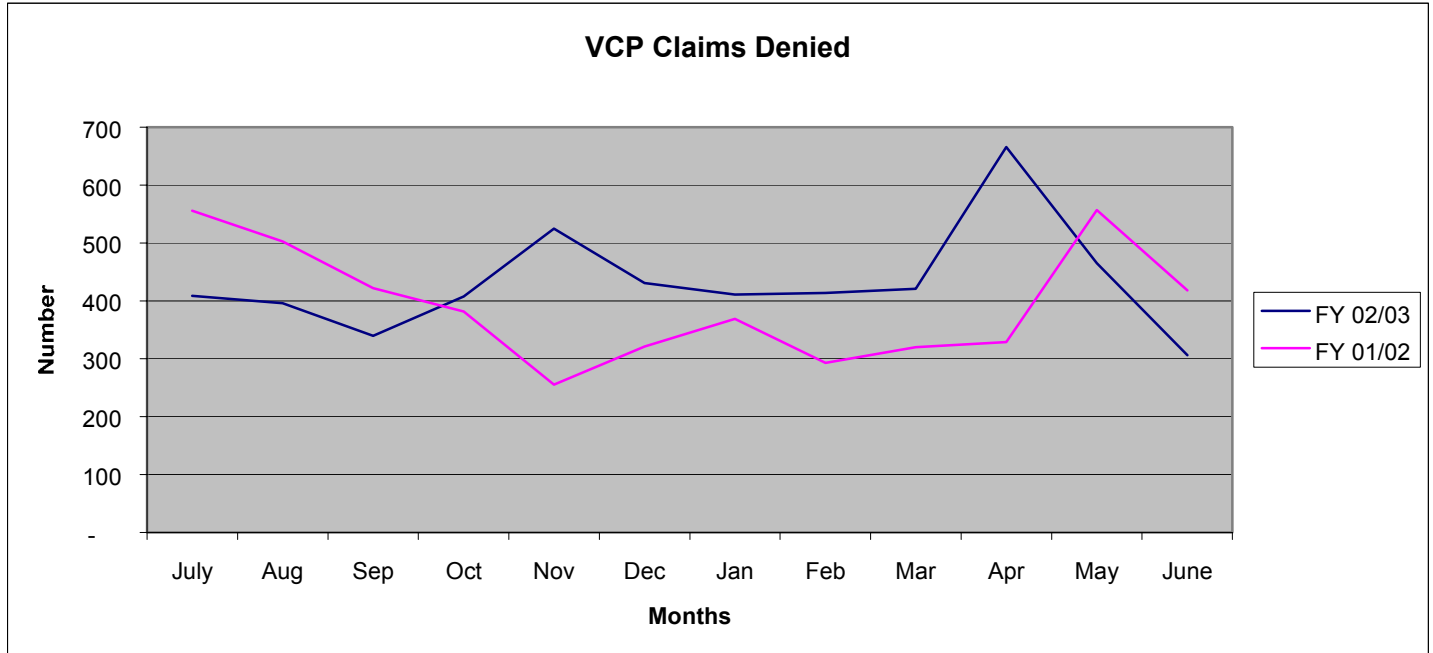
Fiscal Year Comparison	Month of June	Fiscal Year to Date	% Change from Prior FY
FY 02/03	3,191	58,911	-1%
FY 01/02	5,245	59,326	-

VCP Claims Allowed



VCP CLAIMS DENIED

Fiscal Year Comparison	Month of June	Fiscal Year to Date	% Change from Prior FY
FY 02/03	306	5,192	10%
FY 01/02	418	4,725	-

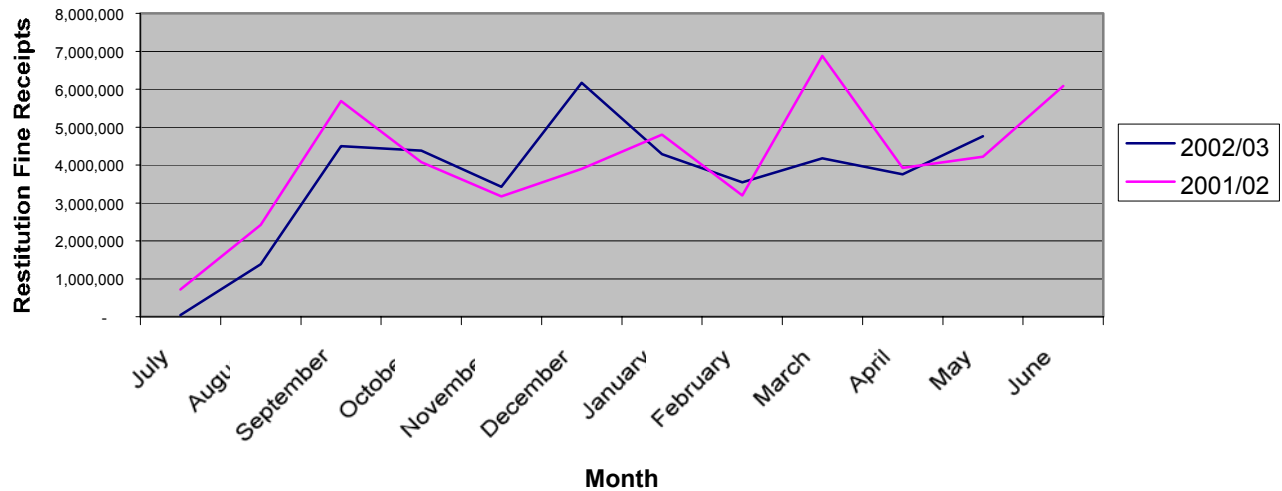


Revenue and Recovery

RESTITUTION FINES

Fiscal Year Comparison	Month of June	Fiscal Year to Date	% Change from Prior FY
FY 02/03	4,853,747	45,275,099	-8%
FY 01/02	6,080,376	49,071,457	-

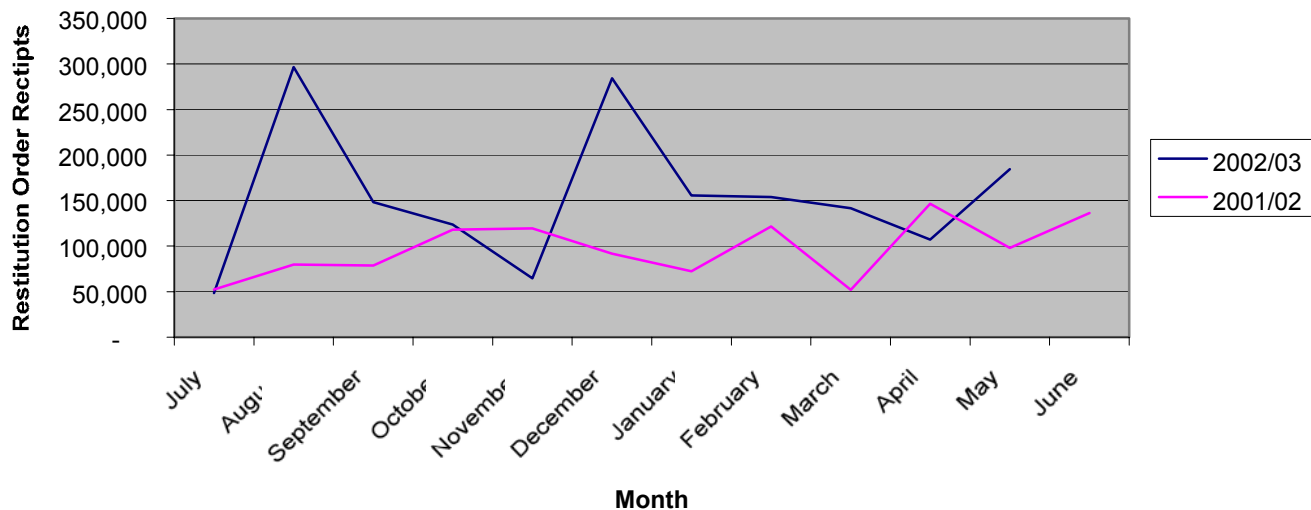
Restitution Fine Receipts By Month



RESTITUTION ORDERS

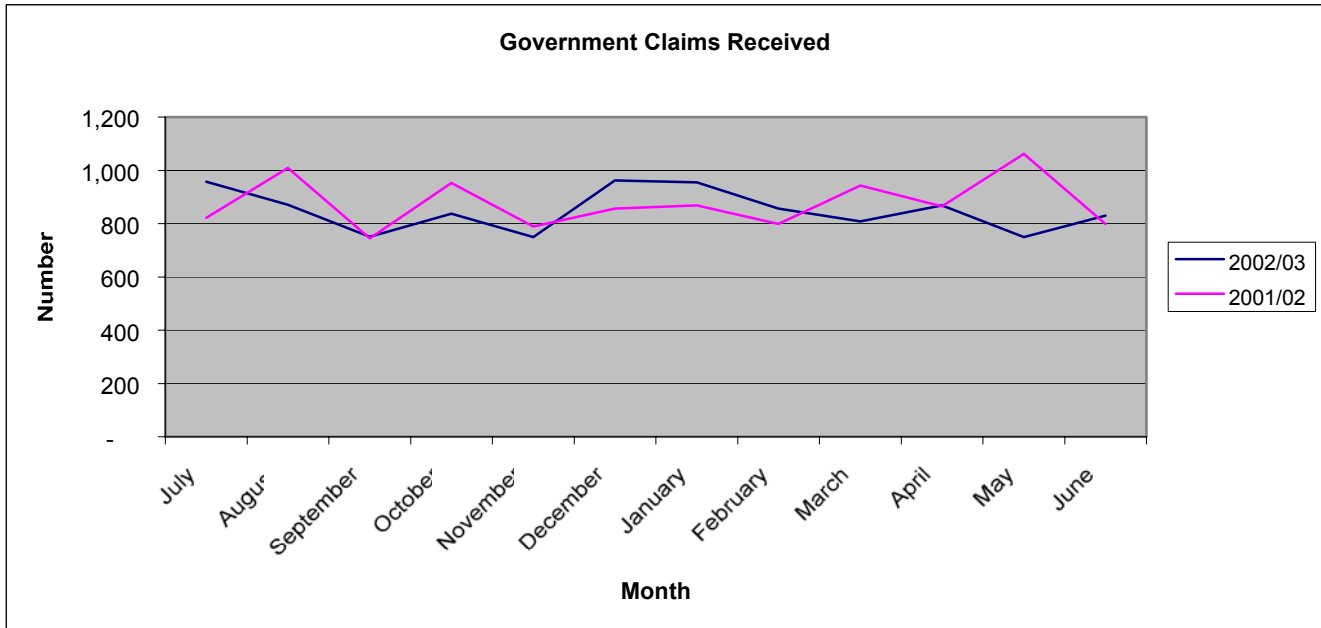
Fiscal Year Comparison	Month of June	Fiscal Year to Date	% Change from Prior FY
FY 02/03	500,855	2,209,750	89%
FY 01/02	136,402	1,167,896	-

Restitution Order Receipts By Month

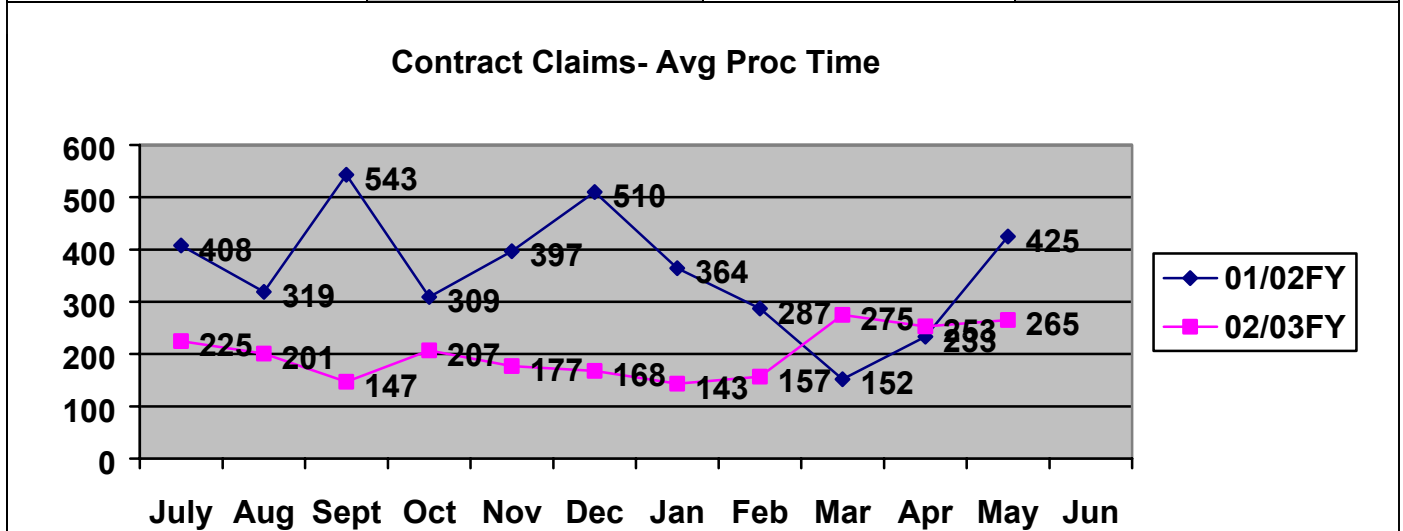


Government Claims

GOVERNMENT CLAIMS RECEIVED			
Fiscal Year Comparison	Month of June	Fiscal Year to Date	% Change from Prior FY
FY 02/03	830	10,197	-3 %
FY 01/02	799	10,510	-



CONTRACT CLAIMS – AVERAGE PROCESSING TIME			
Fiscal Year Comparison	Month of May	Fiscal Year to Date	% Change from Prior FY
FY 02/03	265	196	-43%
FY 01/02		342	

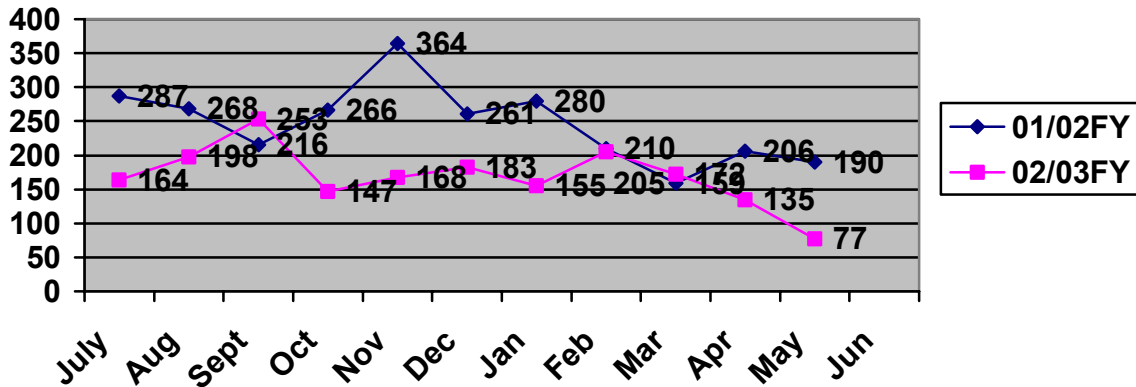


Contract claims -These are typically claims where a vendor has provided services to the State, but a purchase order or contract was not officially in place at the time the services were performed and, therefore, the affected agency does not have the authority to pay the invoice without the Board's approval.

EQUITY CLAIMS – AVERAGE PROCESSING TIME

Fiscal Year Comparison	Month of May	Fiscal Year to Date	% Change from Prior FY
FY 02/03	77	147	-33%
FY 01/02	190	221	

Equity Claims - Avg Proc Time

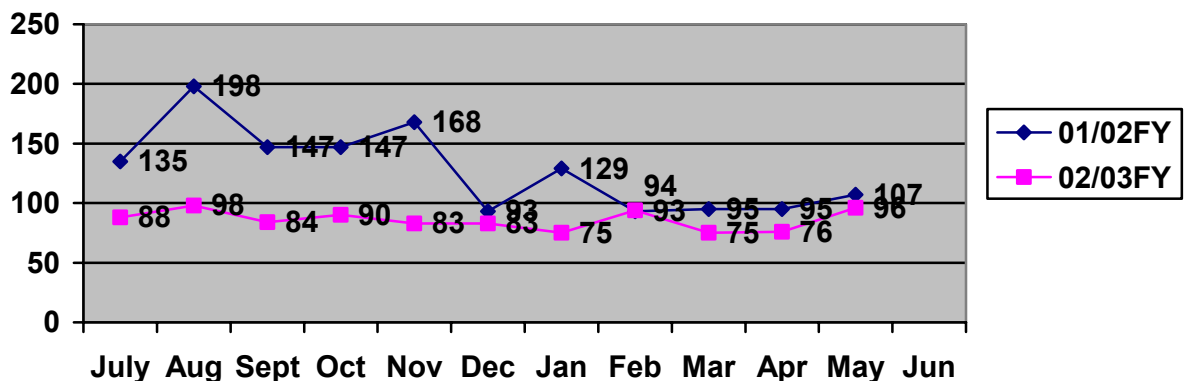


Equity Claims - These are claims where there is no legal liability on the part of the State to pay, but for which the claimant has asked the Board to exercise its equity power to provide payment in fairness for the action or inaction of a State agency. Also included to a large degree are outdated warrants (State-issued checks that went un-cashed for more than 3 years).

TORT CLAIMS – AVERAGE PROCESSING TIME

Fiscal Year Comparison	Month of May	Fiscal Year to Date	% Change from Prior FY
FY 02/03	96	78	30%
FY01/02	107	112	

Tort Claims - Avg Proc Time



Tort Claims –These are claims for damages filed against specific State agencies. These claims are generally rejected, but are a required administrative action to be taken by a claimant prior to bringing civil action against the State in a court of law. The filing of the Tort claim gives the State advance notice of potential future litigation.